

Governor Schwarzenegger Signs Legislation Increasing Opportunities for Small Businesses

Bill Increases Small Business and Disabled Veteran Business Eligibility for State Contracts and Recovery Act Projects

Governor Arnold Schwarzenegger today signed [AB 31](#) by Senator (former Assemblymember) Curren Price (D-Inglewood), expanding small business and disabled veteran business enterprise participation in state contracts and American Recovery and Reinvestment Act (Recovery Act) projects. Small businesses and disabled veteran business enterprises make up 98 percent of all California enterprises, employ over half of our workforce and are projected to create 99 percent of the state's future jobs. A recent [study](#) commissioned by the Procurement Division of the Department of General Services found that these firms produce about 50 percent more overall California economic impact for each dollar spent than large enterprises.

"Small businesses are the backbone of California's economy and will be the force that drives our economic recovery – and I am proud to sign legislation that expands their ability to create jobs," said Governor Schwarzenegger. "Making small businesses and disabled veteran businesses eligible for more of the state's \$10 billion in annual contracts and billions more in federal stimulus dollars will help drive California down the road to economic recovery and create jobs at a time when we need them the most."

Specifically, [AB 31](#) expands an existing streamlined contracting process called the SB/DVBE Option to enhance small business (SB) and disabled veteran business enterprise (DVBE) participation in state contracts. Current law allows state departments to contract directly with these firms for goods and services contracts or purchases between \$5,000 and \$100,000 and up to \$147,000 for public works contracts. AB 31 increases the allowable thresholds in both areas to \$250,000.

Throughout his Administration, Governor Schwarzenegger has demonstrated his strong commitment to creating an environment where small businesses and DVBEs can thrive. Highlights of his most significant actions include:

- On April 19, 2004, Governor Schwarzenegger succeeded in [reforming](#) California's cumbersome workers' compensation system, which has saved California businesses billions.
- On March 29, 2006, Governor Schwarzenegger signed [Executive Order S-02-06](#), reaffirming his Administration's strong commitment to meet or exceed the goal of 25 percent small business participation in procurement and contracting processes.

- On April, 1, 2008, Governor Schwarzenegger [announced](#) that California's SB and DVBES were registered at record-breaking numbers – jumping 4,000, from 12,000 in 2007 to 16,005 in 2008.
- On February 15, 2007, Governor Schwarzenegger's Department of General Services [announced](#) that certification times for small businesses and DVBES would be reduced from six months to one day with online certification.